

106TH CONGRESS
2D SESSION

H. R. 5292

To increase State flexibility in funding child protection programs, and for
other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 2000

Mrs. JOHNSON of Connecticut introduced the following bill; which was referred
to the Committee on Ways and Means

A BILL

To increase State flexibility in funding child protection
programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Flexible Funding for
5 Child Protection Act of 2000”.

TITLE I—FLEXIBLE FUNDING DEMONSTRATIONS

SEC. 101. DEMONSTRATIONS OF FLEXIBLE FUNDING.

(a) IN GENERAL.—Section 1130A of the Social Security Act (42 U.S.C. 1320a–10) is amended to read as follows:

“SEC. 1130A. DEMONSTRATIONS OF FLEXIBLE FUNDING.

“(a) PURPOSE.—The purpose of this section is to provide for the conduct of demonstration projects to determine whether providing States with flexible funding for child protection has an effect on caseload levels and enhances availability and use of services, efficiency of service delivery, and child safety, permanency, and well-being.

“(b) CONSOLIDATION OF GRANTS.—

“(1) APPLICATIONS.—

“(A) ELIGIBILITY.—A State may submit to the Secretary an application to conduct a demonstration project in accordance with this subsection for 3 consecutive fiscal years with respect to 1 or more categories of foster care expenditures or adoption expenditures, unless section 1123A requires Federal matching funds to be withheld from the State.

1 “(B) CONTENTS.—An application sub-
2 mitted by a State pursuant to this subsection
3 shall contain—

4 “(i) an estimate of the State baseline
5 for each fiscal year covered by the applica-
6 tion;

7 “(ii) a plan which—

8 “(I) sets forth a detailed descrip-
9 tion of how the amounts provided to
10 the State under this subsection would
11 be used to help achieve the purpose of
12 this section, including a description of
13 each activity for which any of the
14 amounts would be expended;

15 “(II) contains the assurances set
16 forth in section 422(b)(10);

17 “(III) does not impair the entitle-
18 ment of any qualified child or family
19 to benefits under the State plan ap-
20 proved under part E of title IV; and

21 “(IV) is consistent with any cor-
22 rective action plan that the State may
23 be implementing pursuant to section
24 1123A;

1 “(iii) the categories of expenditure
2 that are to be included in the demonstra-
3 tion project; and

4 “(iv) such other information as the
5 Secretary may require.

6 “(2) APPROVAL OF APPLICATIONS.—

7 “(A) IN GENERAL.—Subject to subpara-
8 graph (B) of this paragraph, beginning October
9 1, 2001, the Secretary may approve an applica-
10 tion submitted by a State pursuant to para-
11 graph (1) if—

12 “(i) the application includes the
13 agreement of the State and the Secretary
14 on—

15 “(I) the amount of the State
16 baseline for each fiscal year covered
17 by the application; and

18 “(II) the participation of the
19 State in any evaluation conducted
20 pursuant to this section; and

21 “(ii) the conduct of the demonstration
22 project proposed by the application would
23 not—

1 “(I) result in the State violating
2 any assurance set forth in section
3 422(b)(10);

4 “(II) result in any impairment of
5 the entitlement of any qualified child
6 or family to benefits under the State
7 plan approved under part E of title
8 IV.

9 “(B) LIMITATION.—The Secretary may
10 not approve more than 5 applications submitted
11 pursuant to this subsection.

12 “(3) EFFECTS OF APPLICATION APPROVAL.—

13 “(A) FIXED PAYMENTS TO STATES FOR
14 SELECTED CATEGORIES OF IV-E EXPENDI-
15 TURES.—

16 “(i) IN GENERAL.—Subject to para-
17 graph (6) of this subsection, a State with
18 an approved application under this sub-
19 section shall be entitled to receive from the
20 Secretary, for each calendar quarter of
21 each fiscal year covered by the application,
22 an amount equal to $\frac{1}{4}$ of the State base-
23 line agreed on by the State and the Sec-
24 retary for the fiscal year, in lieu of any
25 payment under paragraph (1), (2), or (3)

of section 474(a), or paragraph (1) or (2) of section 474(b), with respect to the expenditures of the State in the quarter in the categories of expenditure specified in the application.

“(ii) TIMING; ADJUSTMENTS.—The Secretary shall make a payment to a State under clause (i) for a calendar quarter on the 1st day of the quarter, the amounts reduced or increased to the extent of any prior overpayment or underpayment which the Secretary determines was made under this subsection or section 474 to the State for any prior quarter and with respect to which adjustment has not been made under this subsection or section 474.

“(B) RELIEF FROM INCOME DETERMINATIONS.—

“(i) DURING PERIOD COVERED BY APPLICATION.—

“(I) IN GENERAL.—During the period covered by an approved application of a State under this subsection, the State may determine the eligibility of a child for foster care

1 maintenance payments under section
2 472 and may make such payments,
3 and may make adoption assistance
4 payments under section 473 with re-
5 spect to a child, without regard to any
6 income requirement, to the extent that
7 the foster care maintenance payments
8 or adoption assistance payments are
9 in a category of expenditure specified
10 in the application.

11 “(II) DETERMINATIONS RELAT-
12 ING TO ADOPTION ASSISTANCE FOR
13 STATES ELECTING NOT TO INCLUDE
14 ADOPTION EXPENDITURES IN APPLI-
15 CATION.—If an approved application
16 of a State under this subsection does
17 not apply with respect to any adoption
18 expenditure, the State may elect to re-
19 quire the Secretary, in lieu of apply-
20 ing any income requirement to the
21 families of the children with respect to
22 whom the State has made an adoption
23 expenditure in or after the period cov-
24 ered by the application and has sub-
25 mitted a claim under part E of title

1 IV for the expenditure, to consider
2 otherwise allowable adoption expendi-
3 tures of the State allowable under
4 such part in the same proportion as
5 the average annual percentage of chil-
6 dren with respect to whom State
7 adoption expenditures were allowed
8 under such part for the 3-year period
9 preceding the period covered by the
10 application.

11 “(ii) OPTIONAL CONTINUATION.—Be-
12 fore the end of the period covered by an
13 approved application of a State under this
14 subsection, the State may make an irrev-
15 ocable election to require the Secretary, in
16 lieu of applying any income requirement to
17 the families of the children with respect to
18 whom the State has made a foster care ex-
19 penditure or an adoption expenditure after
20 the period and submitted a claim for the
21 expenditure under part E of title IV, to
22 consider otherwise allowable foster care ex-
23 penditures or adoption expenditures of the
24 State allowable under such part in the
25 same proportion as the average annual

1 percentage of children with respect to
2 whom State foster care expenditures or
3 adoption expenditures, as the case may be,
4 were allowed under such part for the 3-
5 year period preceding the period covered
6 by the application.

7 “(C) LIMITATION ON USE OF FUNDS.—A
8 State may not use any amount paid to the
9 State under this subsection for a fiscal year, ex-
10 cept in accordance with the approved applica-
11 tion of the State under this subsection for the
12 fiscal year, subject to paragraph (4)(A).

13 “(4) OTHER STATE OPTIONS.—

14 “(A) NARROW SCOPE OF APPROVED APPLI-
15 CATION.—A State with an approved application
16 under this subsection may, at any time, elect to
17 have the approved application cease to apply to
18 any category of expenditure specified in the ap-
19 plication, beginning with any calendar quarter
20 remaining in the period covered by the applica-
21 tion.

22 “(B) WITHDRAWAL.—Effective as of the
23 beginning of any calendar quarter remaining in
24 the period covered by an approved application
25 of a State under this subsection, the State may

1 withdraw from participation in activities under
2 this subsection, and this subsection (other than
3 paragraph (3)(B)(ii)) shall cease to apply to the
4 State, except with respect to any penalty re-
5 quired to be imposed at any time by reason of
6 conduct that occurred before the effective date
7 of the withdrawal.

8 “(5) RENEWAL.—

9 “(A) IN GENERAL.—On agreement be-
10 tween a State and the Secretary as to the
11 amount of the State baseline for each year in
12 the 3-year period following the period covered
13 by an application approved under this sub-
14 section, the Secretary shall approve the renewal
15 of the application if the application contains
16 such other information as the Secretary may re-
17 quire.

18 “(B) LIMITATION.—The Secretary may
19 not approve an application of a State under this
20 subsection, to the extent that the total number
21 of years covered by approved applications of the
22 State under this section would exceed 9.

23 “(6) MAINTENANCE OF EFFORT.—

24 “(A) REQUIREMENT.—If the Secretary de-
25 termines that the average of the historic ex-

penditure levels in effect with respect to a State for 2 consecutive fiscal years covered by 1 or more applications approved under this subsection exceeds the average of the total amounts of qualified State expenditures in such fiscal years:

“(i) REDUCTION OF AMOUNTS PAYABLE TO STATE.—The total of the amounts otherwise payable to the State under this subsection or under paragraphs (1), (2), and (3) of section 474(a) for each quarter in the succeeding fiscal year shall be reduced by an amount equal to $\frac{1}{4}$ of the excess.

“(ii) ENHANCED MAINTENANCE OF EFFORT REQUIREMENT FOR NEXT YEAR.—The historic expenditure level otherwise in effect for the succeeding fiscal year with respect to the State shall be increased by an amount equal to the excess.

“(B) DEFINITIONS.—

“(i) QUALIFIED STATE EXPENDITURES.—In this paragraph, the term ‘qualified State expenditures’ means, with respect to a fiscal year, the sum of—

1 “(I) the total amount expended
2 for child welfare services during the
3 fiscal year by the child welfare agency
4 of the State and the child welfare
5 agencies of all political subdivisions of
6 the State, from Federal, State, or
7 local funds; and

8 “(II) at the option of the State,
9 the amount (if any) by which the total
10 of the amounts expended for child
11 welfare services during the fiscal year
12 by other agencies of the State or of a
13 political subdivision of the State, from
14 Federal, State, or local funds, exceeds
15 the total of the amounts so expended
16 during fiscal year 1998.

17 “(ii) CHILD WELFARE SERVICES EX-
18 PENDITURES.—

19 “(I) IN GENERAL.—For purposes
20 of this paragraph, an amount shall be
21 considered to have been expended for
22 a child welfare service by an agency if
23 the amount is expended directly by
24 the agency, or by another entity under
25 contract with the agency, to provide,

1 or to cover any administrative cost re-
2 lated to the provision of, the service.

3 “(II) PREVENTION OF DOUBLE
4 COUNTING.—Notwithstanding item
5 (aa) of this subclause, an amount that
6 is taken into account as a qualified
7 State expenditure for purposes of sec-
8 tion 409(a)(7) shall not be considered
9 a qualified State expenditure for pur-
10 poses of this paragraph.

11 “(iii) HISTORIC EXPENDITURE
12 LEVEL.—

13 “(I) IN GENERAL.—In this para-
14 graph, the term ‘historic expenditure
15 level in effect for a fiscal year with re-
16 spect to a State’ means the total
17 amount expended for child welfare
18 services during fiscal year 1998 by the
19 child welfare agency of the State and
20 the child welfare agencies of all polit-
21 ical subdivisions of the State, from
22 Federal, State, or local funds, in-
23 creased by the inflation percentage in
24 effect for the fiscal year.

1 “(II) INFLATION PERCENTAGE.—

2 For purposes of subclause (I), the in-
3 flation percentage in effect for a fiscal
4 year is the percentage (if any) by
5 which—

6 “(aa) the average of the
7 Consumer Price Index (as de-
8 fined in section 1(f)(5) of the In-
9 ternal Revenue Code of 1986) for
10 the preceding fiscal year; exceeds

11 “(bb) the average of the
12 Consumer Price Index (as so de-
13 fined) for fiscal year 1998.

14 “(III) ADJUSTMENT FOR RE-
15 DUCED FEDERAL FUNDING OF CHILD
16 WELFARE SERVICES.—

17 “(aa) IN GENERAL.—The
18 historic expenditure level in effect
19 for a fiscal year with respect to a
20 State, as determined under sub-
21 clauses (I) and (II), shall be de-
22 creased by the amount (if any)
23 by which the total amount of
24 Federal funds available to the
25 State or any political subdivision

1 of the State for child welfare
2 services for the fiscal year is less
3 than the total amount of such
4 Federal funds that were ex-
5 pended by the State or any polit-
6 ical subdivision of the State for
7 child welfare services for fiscal
8 year 1998.

9 “(bb) PENALTY AMOUNTS
10 CONSIDERED TO BE AVAIL-
11 ABLE.—For purposes of item
12 (aa), an amount withheld or re-
13 covered from a State in a fiscal
14 year by reason of a failure of the
15 State to comply with part B or E
16 of title IV or this paragraph shall
17 be considered to have been avail-
18 able to the State for the fiscal
19 year.

20 “(c) TRANSFER OF FUNDS.—

21 “(1) APPLICATIONS.—

22 “(A) ELIGIBILITY.—A State may submit
23 to the Secretary an application to conduct a
24 demonstration project in accordance with this
25 subsection for 3 consecutive fiscal years with re-

1 spect to 1 or more categories of foster care ex-
2 penditures, unless section 1123A requires Fed-
3 eral matching funds to be withheld from the
4 State.

5 “(B) CONTENTS.—An application sub-
6 mitted by a State pursuant to this subsection
7 shall contain—

8 “(i) an estimate of the State baseline
9 for each year in the period covered by the
10 application;

11 “(ii) a plan which—

12 “(I) sets forth a detailed descrip-
13 tion of how the amounts provided to
14 the State under this subsection would
15 be used to help achieve the purpose of
16 this section, including the costs of
17 each activity for which any of the
18 amounts would be expended;

19 “(II) contains the assurances set
20 forth in section 422(b)(10);

21 “(III) does not impair the entitle-
22 ment of any qualified child or family
23 to benefits under the State plan ap-
24 proved under part E of title IV; and

1 “(IV) is consistent with any cor-
2 rective action plan that the State may
3 be implementing pursuant to section
4 1123A;

5 “(iii) the categories of expenditure
6 that are to be included in the demonstra-
7 tion project; and

8 “(iv) such other information as the
9 Secretary may require.

10 “(2) APPROVAL OF APPLICATIONS.—

11 “(A) IN GENERAL.—Subject to subpara-
12 graph (B) of this paragraph, beginning October
13 1, 2001, the Secretary may approve an applica-
14 tion submitted by a State pursuant to para-
15 graph (1) if—

16 “(i) the State and the Secretary have
17 agreed on—

18 “(I) the amount of the State
19 baseline for each fiscal year covered
20 by the application; and

21 “(II) the participation of the
22 State in any evaluation conducted
23 pursuant to this section; and

1 “(ii) the conduct of the demonstration
2 project proposed by the application would
3 not—

4 “(I) result in the State violating
5 any assurance set forth in section
6 422(b)(10);

7 “(II) result in any impairment of
8 the entitlement of any qualified child
9 or family to benefits under the State
10 plan approved under part E of title
11 IV.

12 “(B) LIMITATION.—The Secretary may
13 not approve more than 5 applications submitted
14 pursuant to this subsection.

15 “(3) EFFECTS OF APPLICATION APPROVAL.—

16 “(A) STATE PAYMENT OPTIONS.—A State
17 with an approved application under this sub-
18 section for a fiscal year shall elect to receive
19 payments under this subsection in accordance
20 with only 1 of clause (i) or (ii), as follows:

21 “(i) SAVINGS PAID TO THE STATE AT
22 THE END OF THE FISCAL YEAR.—In addi-
23 tion to any payment under part E of title
24 IV for the fiscal year, the State shall be
25 entitled to receive from the Secretary, sub-

1 ject to paragraph (4) of this subsection, an
2 amount equal to the amount (if any) by
3 which—

4 “(I) the State baseline for the
5 fiscal year; exceeds

6 “(II) the total of all payments
7 made to the State for the fiscal year
8 under paragraph (1) or (3) of section
9 474(a) with respect to the categories
10 of expenditure specified in the applica-
11 tion.

12 “(ii) ADVANCE PAYMENT OF ESTI-
13 MATED SAVINGS AND YEAR-END REC-
14 ONCILIATION.—

15 “(I) STATE ESTIMATE OF SAV-
16 INGS.—The State shall transmit to
17 the Secretary an estimate by the State
18 of the amount by which the State
19 baseline for the fiscal year will exceed
20 the total of the amounts that will be
21 payable to the State for the fiscal year
22 under paragraph (1) or (3) of section
23 474(a) with respect to the categories
24 of expenditure specified in the applica-
25 tion.

1 “(II) ADVANCE PAYMENT OF ES-
2 TIMATED SAVINGS.—In addition to
3 any payment under part E of title IV
4 for the fiscal year, the State shall be
5 entitled to receive from the Secretary,
6 at the beginning of the fiscal year,
7 subject to paragraph (4) of this sub-
8 section, an amount equal to the
9 amount estimated by the State pursu-
10 ant to subclause (I) of this clause.

11 “(III) YEAR-END RECONCILI-
12 ATION.—

13 “(aa) SAVINGS PAID TO THE
14 STATE.—If the State baseline for
15 the fiscal year exceeds the sum of
16 the amount paid to the State for
17 the fiscal year under subclause
18 (II) of this clause and the total
19 of the amounts payable to the
20 State for the fiscal year under
21 paragraph (1) or (3) of section
22 474(a) with respect to the cat-
23 egories of expenditure specified
24 in the application, then the Sec-
25 retary shall make a further addi-

1 tional payment to the State in an
2 amount equal to the excess
3 amount.

4 “(bb) RECOVERY OF OVER-
5 PAYMENT.—If the amount paid
6 to the State for a fiscal year
7 under subclause (II) of this
8 clause plus the total of the
9 amounts payable to the State for
10 the fiscal year under paragraph
11 (1) or (3) of section 474(a) with
12 respect to the categories of ex-
13 penditure specified in the appli-
14 cation exceeds the State baseline
15 for the fiscal year, then the Sec-
16 retary shall reduce the amount
17 otherwise payable to the State
18 under such paragraphs for each
19 quarter in the succeeding fiscal
20 year by an amount equal to $\frac{1}{4}$ of
21 the excess amount.

22 “(iii) CLAIMS DEADLINE.—For pur-
23 poses of this subparagraph, the Secretary
24 may not consider a claim submitted by a
25 State with respect to an expenditure in a

1 fiscal year more than 6 months after the
2 end of the fiscal year.

3 “(B) LIMITATION ON USE OF FUNDS.—A
4 State may not use any amount paid to the
5 State under this subsection for a fiscal year, ex-
6 cept in accordance with the approved applica-
7 tion of the State under this subsection for the
8 fiscal year.

9 “(4) MAINTENANCE OF EFFORT.—

10 “(A) IN GENERAL.—If a State baseline for
11 the fiscal year exceeds the total of the amounts
12 payable to the State for the fiscal year under
13 paragraph (1) or (3) of section 474(a) with re-
14 spect to the categories of expenditure specified
15 in the application of the State approved under
16 this subsection, then, as a condition of receiving
17 an amount under this subsection for a fiscal
18 year, the State shall expend for the provision of
19 child welfare services, in addition to any other
20 amount required by Federal law to be so ex-
21 pended, an amount equal to the sum described
22 in subparagraph (B).

23 “(B) SUM DESCRIBED.—The sum de-
24 scribed in this subparagraph with respect to a
25 State is the sum of the partial sums described

1 in subparagraph (C) with respect to each cat-
 2 egory of expenditure specified in the applica-
 3 tion.

4 “(C) PARTIAL SUMS DESCRIBED.—The
 5 partial sum described in this subparagraph with
 6 respect to a category of expenditure is—

7 “(i) 1 minus the percentage or pro-
 8 portion specified or referred to in para-
 9 graph (1) or (3) of section 474(a) with re-
 10 spect to the category of expenditure; multi-
 11 plied by

12 “(ii) the amount that bears the same
 13 ratio to the excess amount described in
 14 subparagraph (A) of this paragraph as the
 15 amount expended by the State in the cat-
 16 egory of expenditure bears to the total of
 17 the amounts payable to the State for the
 18 fiscal year under paragraph (1) or (3) of
 19 section 474(a) with respect to the cat-
 20 egories of expenditure specified in the ap-
 21 plication.

22 “(d) AMENDMENT OF APPLICATIONS AND
 23 PROJECTS.—

24 “(1) APPLICATIONS.—A State may amend an
 25 application approved by the Secretary under this

1 section by submitting to the Secretary an amend-
2 ment consistent with this section.

3 “(2) PROJECTS.—The Secretary shall develop a
4 streamlined process for consideration of amendments
5 proposed by States to demonstration projects con-
6 ducted under this section.

7 “(e) DEFINITIONS.—In this section:

8 “(1) FOSTER CARE EXPENDITURES.—The term
9 ‘foster care expenditures’ means expenditures in the
10 following expenditure categories:

11 “(A) FOSTER CARE MAINTENANCE PAY-
12 MENTS.—Expenditures for foster care mainte-
13 nance payments under section 472 for children
14 in foster family homes or child-care institutions.

15 “(B) FOSTER CARE ADMINISTRATIVE NON-
16 TRAINING EXPENSES.—Expenditures for the
17 proper and efficient administration of the provi-
18 sions of the State plan approved under part E
19 of title IV relating to foster care except for
20 training.

21 “(C) FOSTER CARE TRAINING EX-
22 PENSES.—Expenditures for the proper and effi-
23 cient administration of the provisions of the
24 State plan approved under part E of title IV re-
25 lating to foster care training.

1 “(2) ADOPTION EXPENDITURES.—The term
2 ‘adoption expenditures’ means expenditures in the
3 following expenditure categories:

4 “(A) ADOPTION ASSISTANCE PAYMENTS.—
5 Expenditures for adoption assistance under sec-
6 tion 473 pursuant to adoption assistance agree-
7 ments.

8 “(B) ADOPTION ASSISTANCE ADMINISTRA-
9 TIVE NON-TRAINING EXPENSES.—Expenditures
10 for the proper and efficient administration of
11 the provisions of the State plan approved under
12 part E of title IV relating to adoption except
13 for training.

14 “(C) ADOPTION ASSISTANCE TRAINING EX-
15 PENSES.—Expenditures for the proper and effi-
16 cient administration of the provisions of the
17 State plan approved under part E of title IV re-
18 lating to adoption assistance training.

19 “(3) STATE BASELINE.—The term ‘State base-
20 line’ means, with respect to a State and a fiscal
21 year, the total amount to which the State would be
22 entitled under section 474(a), in the absence of this
23 section, with respect to the expenditures of the State
24 in the fiscal year in the categories specified in the
25 application.

1 “(4) FISCAL YEAR.—The term ‘fiscal year’
2 means the 12-month period ending with September
3 30 of the year.

4 “(5) CHILD WELFARE SERVICES.—The term
5 ‘child welfare services’ has the meaning given in sec-
6 tion 425.

7 “(f) APPROVED APPLICATION CONSIDERED PART OF
8 STATE PLAN.—For purposes of part E of title IV and sec-
9 tion 1123A, an approved application of a State under this
10 section shall be considered part of the State plan approved
11 under such part for the period of time covered by the ap-
12 proved application.

13 “(g) REPORTS.—As soon as is practicable after each
14 fiscal year for which a State has conducted a demonstra-
15 tion project under this section, the State shall prepare and
16 submit to the Secretary a written report on the provision
17 of child welfare services through the project, which shall
18 include a statement of the total amount expended for each
19 kind of child welfare service, and shall make the written
20 report available to the general public. At the end of each
21 3-year period, the report shall include an assessment of
22 the extent to which the demonstration project has achieved
23 the purpose of this section.”.

24 (b) ADMINISTRATIVE GUIDELINES ON BASELINE DE-
25 TERMINATIONS.—Not later than April 1, 2001, the Sec-

1 retary of Health and Human Services (in this section re-
2 ferred to as the “Secretary”) shall issue administrative
3 guidelines with respect to the information required in any
4 application under section 1130A of the Social Security
5 Act, including the manner in which the baselines described
6 in such section are to be determined.

7 (c) REGULATIONS ON MAINTENANCE OF EFFORT.—
8 Within 12 months after the date of the enactment of this
9 section, the Secretary shall prescribe such regulations as
10 may be necessary to carry out subsections (b)(6) and
11 (c)(4) of section 1130A of the Social Security Act.

12 (d) NATIONAL EVALUATION.—

13 (1) IN GENERAL.—The Secretary shall evaluate
14 the effectiveness of demonstration projects con-
15 ducted under section 1130A of the Social Security
16 Act in achieving the purposes of such section, and
17 in conducting the evaluation, shall use diverse and
18 rigorous methods (and is encouraged to use random
19 assignment) to assess the effectiveness of the
20 projects involved.

21 (2) REPORTS.—

22 (A) INTERIM REPORT.—Not later than 2
23 years after the Secretary first approves an ap-
24 plication under section 1130A of the Social Se-
25 curity Act, the Secretary shall prepare and sub-

mit to the Congress, in writing, an interim report on the results of the evaluations of demonstration projects conducted under such section.

(B) FINAL REPORT.—Not later than 1 year after the end of the last demonstration project conducted under section 1130A of the Social Security Act, the Secretary shall prepare and submit to the Congress, in writing, a final report on the results of the evaluations.

(3) FUNDING.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 2001 through 2004 \$6,000,000 to carry out this subsection. Amounts so appropriated shall remain available until expended.

TITLE II—WAIVERS MODIFICATION

SEC. 201. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS.

Section 1130(a) of the Social Security Act (42 U.S.C. 1320a–9(a)) is amended by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

1 **SEC. 202. CLARIFICATION OF AUTHORITY TO GRANT WAIV-**
2 **ERS TO ENABLE STATEWIDE DEMONSTRA-**
3 **TION PROJECTS.**

4 Section 1130(f) of the Social Security Act (42 U.S.C.
5 1320a–9(f)) is amended by adding at the end the following
6 flush sentence:

7 “The preceding sentence shall not be interpreted to pre-
8 vent the Secretary from granting such waivers as may be
9 necessary to authorize a demonstration project under this
10 section to be conducted on a statewide basis.”.

11 **SEC. 203. ELIMINATION OF LIMITATION ON NUMBER OF**
12 **STATES THAT MAY BE GRANTED WAIVERS TO**
13 **CONDUCT DEMONSTRATION PROJECTS ON**
14 **SAME TOPIC.**

15 Section 1130 of the Social Security Act (42 U.S.C.
16 1320a–9) is amended by adding at the end the following:

17 “(h) NO LIMIT ON NUMBER OF STATES THAT MAY
18 BE GRANTED WAIVERS TO CONDUCT SAME OR SIMILAR
19 DEMONSTRATION PROJECTS.—The Secretary shall not
20 refuse to grant a waiver to a State under this section on
21 the grounds that a purpose of the waiver or of the dem-
22 onstration project for which the waiver is necessary would
23 be the same as or similar to a purpose of another waiver
24 or project that is or may be conducted under this sec-
25 tion.”.

1 **SEC. 204. ELIMINATION OF LIMITATION ON NUMBER OF**
 2 **WAIVERS THAT MAY BE GRANTED TO A SIN-**
 3 **GLE STATE FOR DEMONSTRATION PROJECTS.**

4 Section 1130 of the Social Security Act (42 U.S.C.
 5 1320a–9) is further amended by adding at the end the
 6 following:

7 “(i) NO LIMIT ON NUMBER OF WAIVERS GRANTED
 8 TO, OR DEMONSTRATION PROJECTS THAT MAY BE CON-
 9 DUCTED BY, A SINGLE STATE.—The Secretary shall not
 10 impose any limit on the number of waivers that may be
 11 granted to a State, or the number of demonstration
 12 projects that a State may be authorized to conduct, under
 13 this section.”.

14 **SEC. 205. CONDITIONAL AUTHORITY TO CONDUCT INDEFI-**
 15 **NITELY DEMONSTRATION PROJECTS RE-**
 16 **QUIRING WAIVERS.**

17 Section 1130(d) of the Social Security Act (42 U.S.C.
 18 1320a–9(d)) is amended to read as follows:

19 “(d) DURATION OF DEMONSTRATION.—

20 “(1) IN GENERAL.—Except as provided in para-
 21 graph (2), a demonstration project under this sec-
 22 tion may be conducted for not more than 5 years.

23 “(2) STATE OPTION TO EXTEND PROJECT IN-
 24 DEFINITELY.—If a State has conducted a dem-
 25 onstration project under this section for 5 years and
 26 has complied with the agreement under which waiv-

1 ers are provided under subsection (b) with respect to
 2 the project, the State may continue to conduct the
 3 project and the waivers shall continue to remain in
 4 effect, for so long as the State desires such continu-
 5 ance and the compliance continues.”.

6 **SEC. 206. STREAMLINED PROCESS FOR CONSIDERATION OF**
 7 **AMENDMENTS TO DEMONSTRATION**
 8 **PROJECTS REQUIRING WAIVERS.**

9 Section 1130 of the Social Security Act (42 U.S.C.
 10 1320a–9) is further amended by adding at the end the
 11 following:

12 “(j) STREAMLINED PROCESS FOR CONSIDERATION
 13 OF AMENDMENTS.—The Secretary shall develop a stream-
 14 lined process for consideration of amendments proposed
 15 by States to demonstration projects conducted under this
 16 section.”.

17 **SEC. 207. PERMISSIBLE USE OF HISTORICAL BASELINES.**

18 Section 1130(g) of the Social Security Act (42 U.S.C.
 19 1320a–9(g)) is amended by adding at the end the fol-
 20 lowing: “For the purpose of making the determination, the
 21 Secretary should consider use of historical baselines of fos-
 22 ter care utilization, designs involving random assignment,
 23 or designs involving comparison groups.”.

1 **SEC. 208. TECHNICAL CORRECTION.**

2 Section 1130(b)(1) of the Social Security Act (42
3 U.S.C. 1320a–9(b)(1)) is amended by striking
4 “422(b)(9)” and inserting “422(b)(10)”.

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